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FIG 16.5  
21 May 1952  
CIA 435619

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SECURITY INFORMATION

Economic Intelligence Committee

Minutes of Meeting held in  
Room 2101, Temporary "M" Building  
26th and Constitution Avenue, N.W.

15 May 1952

PRESENT:

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Mr. Robert Amory, Jr., CIA, Chairman  
[REDACTED], CIA, Executive Secretary  
[REDACTED] CIA  
[REDACTED] CIA  
Mr. Edward Doherty, State  
Mr. Howard Wiedemann, State  
Lt. Col. George B. Russell, Army  
Cdr. Donald C. Deane, Navy  
Dr. James T. Lowe, Air Force  
Mr. Paul Ledet, Air Force  
Mr. William G. Welk, MSA

APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee meeting of 15 April 1952 (EIC-M-15) were approved.

PROGRESS REPORT ON THE AIR FORCE CONTRIBUTION TO THE EIC PROJECT "ECONOMIC CAPABILITIES OF THE SOVIET BLOC TO SUPPORT GENERAL WAR"

2. Discussion: Dr. Lowe, Air Force, reported that the work on Phase I of the Capabilities Study was one-third completed and that the Air Force contribution should be ready for the Working Group on the presently scheduled date, 13 June.

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PROGRESS REPORT ON [REDACTED] INTELLIGENCE STUDY ON FRENCH INDOCHINA AND BURMA

3. Action: EIC members are to communicate to the Executive Secretary any additional suggestions for the proposed list of questions on Burma and French Indochina. It was agreed that CIA would again consult with the IAC members before arriving at a final composite list with the UK.

4. Discussion: Mr. Amory, CIA, reported that a proposed list of questions prepared by CIA on French Indochina and Burma had been rewritten to incorporate the suggestions of the IAC agencies and had been sent to [REDACTED]

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25X1C8b Developments in Indochina During the Remainder of 1951," demonstrated  
25X1C8b the importance of exchanging factual intelligence on Indochina and  
Burma. [REDACTED]

DISCUSSION OF THE REVISED SURVEY OF INTELLIGENCE ON SOVIET BLOC MERCHANT SHIPPING

5. Action: The Executive Secretary was directed to assist the Transportation Subcommittee in redrafting the Appendix concerning the gaps or deficiencies in shipping intelligence information. Specific suggestions to be incorporated in the revised draft were as follows:

- (a) The nature of the intelligence deficiencies should be more specifically identified. In addition, the seriousness or extent of intelligence deficiency should be indicated.
- (b) The deficiencies listed in column I should be directly correlated with the end-use requirements listed in column II and with the possible methods of collection in column IV.
- (c) In presenting the end-uses for the intelligence listed as deficient, a distinction should be made between three broad areas of agency uses of economic intelligence. These areas include intelligence for (1) economic indications of military preparedness, (2) operational aspects of economic warfare, and (3) general economic analysis of capabilities. Within these categories more specific end-uses of top priority importance should be noted.
- (d) Agency priorities should be assigned in the light of end-uses.

SECOND CONSIDERATION OF A COMPREHENSIVE LIST OF EIC SUBCOMMITTEES

6. Action: Agreement was reached on the following points with regard to the drawing up of a comprehensive list of subcommittees:

- (a) The seven substantive subcommittees presently functioning will continue.
- (b) Subcommittees should be established at some future date to cover the following subjects:

Industrial Machinery and Equipment

Electronics and Telecommunications -- Lt. Col. Russell, Army, said that one of the major problems facing such a subcommittee would be recommendations for the collection of information.

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Electric Power and Solid Fuels -- It was agreed that care must be exercised in preparing terms of reference for this subcommittee to insure that all aspects of the solid fuels question would be covered and not just that portion which would contribute to the production of electric power.

Metals and Minerals

Consumer Goods Industries -- It was agreed that aggregates relating to consumers goods would be covered by the Subcommittee on Economic Analysis.

Military End-Items -- This subcommittee will cover all aspects related to the production of military end-items. At the suggestion of Commander Deane, Navy, it was agreed that in preparing its terms of reference, the subcommittee would indicate which groups of end-items it intends to cover. These terms of reference would, of course, be subject to EIC approval.

Construction Industry -- The EIC accepted the addition of a subcommittee on the Construction Industry. Mr. Doherty, State, pointed out that the terms of reference should be carefully defined.

7. The Executive Secretary was directed to prepare a revised list of EIC Subcommittees embodying the recommended changes.

8. The Chairman, Mr. Amory, undertook at the suggestion of the Committee, to discuss with appropriate persons the question of responsibility for intelligence relating to the economic aspects of Soviet production of fissionable materials. It was the sense of the meeting that further emphasis was required on the economic, as distinct from the scientific, aspects of this problem, and that therefore a subcommittee of the EIC should be created to coordinate this effort.

9. Discussion: It was pointed out that the Comprehensive List of Proposed EIC Subcommittees was drawn up to serve as an indication of the specialized field which the proposed subcommittees would be expected to cover and was not intended either to list subcommittees which should be set up immediately or to present precise definitions of subject matter coverage.

PRESENTATION OF THE SECOND EIC PROGRESS REPORT

10. Action: Copies of the second EIC Progress Report were distributed at the meeting. Members were requested to relay comments or criticisms to the Executive Secretary by 23 May.

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DISCUSSION OF PROPOSED TERMS OF REFERENCE FOR EIC SUBCOMMITTEE ON  
GENERAL ECONOMIC ANALYSIS

11. Action: EIC members were asked to notify the Executive Secretary of any objections to the proposed terms of reference for the EIC Subcommittee on General Economic Analysis. If no objections are received by 23 May, it will be assumed that the proposed terms of reference are approved by the EIC, and the Chairman of the Subcommittee will be so notified.

SELECTION OF NEW CHAIRMAN FOR TRANSPORTATION SUBCOMMITTEE AND APPROVAL  
OF NEW MEMBERS

12. Action: The EIC approved the appointment of Mr. Paul Bloom, Air Force, to serve as Chairman of the EIC Subcommittee on Transportation to replace Lt. Col. Cowart.

13. The following change in membership of the Economic Intelligence Committee was noted:

Dr. Norris G. Kenny  
Deputy Chief, Office of  
International Programs  
Munitions Board  
(To replace Dr. Joseph H. Taggart)

14. The following changes in EIC Subcommittee membership were presented for approval. If the Executive Secretary receives no objection to these nominees by 23 May, it will be assumed that they are approved.

Subcommittee on Chemicals

Mr. Louis Markwood  
Office of International Trade  
Department of Commerce

Dr. K. D. Jacob  
Chief, Division of Fertilizer and  
Agricultural Lime  
Department of Agriculture

Mr. Rollin H. Cragg  
Chemical Division  
US Tariff Commission

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Mr. Frank Gonet  
Chemical Division  
US Tariff Commission

Mr. Lester Dutt  
Chemical and Rubber Division  
Office of Materials  
Munitions Board  
(Also serves as Alternate Associate Member  
on the Agriculture Subcommittee)

Subcommittee on Requirements and Facilities for Collation

Lt. Col. James L. Bryan  
Collection and Evaluation Section  
Requirements Branch  
Collection and Dissemination Division  
Department of the Army  
(To replace Lt. Col. Whitehorne)

Subcommittee on Transportation

Mr. Milton G. Nottingham  
Deputy Chief, Cargo Branch  
Transportation Division  
Mutual Security Agency  
(To replace Mr. James A. McCullough)

15. State Department notified the EIC that it has reversed the position of its members of the Transportation Subcommittee as follows:

Mr. Gustav Pollaczek  
Transportation Branch  
IFI, OIR  
Department of State  
(Member)

Mrs. Doris Whitnack  
Transportation Branch  
IFI, OIR  
Department of State  
(Alternate)

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16. Announcement was made of the appointment of [REDACTED] as Secretary of the EIC Subcommittee on Requirements and Facilities for Collation to replace [REDACTED].

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SECURITY CLASSIFICATION OF EIC PAPERS

17. Action: The Executive Secretary was directed to prepare a recommendation to the Security Officer of CIA to the effect that a down-grading of EIC material, similar to that approved for NIS, be approved.

18. Discussion: Commander Deane, Navy, recommended that the question of classification of papers referring to or issued by the Economic Intelligence Committee be reviewed. During the discussion, it was recommended that the term "EIC" itself be unclassified and that the full name "Economic Intelligence Committee," list of members, etc., be classified Confidential.

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Executive Secretary  
Economic Intelligence Committee

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